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June 22, 1981

VIA EXPRESS MAIL

Jonathan T. McPhee, Esq.
Enforcement Division
Region V
United States Environmental
Protection Agency
230 South Dearborn Street
Chicago, Illinois 60604

Re: KOI Petroleum Co., Inc./
Freud And Lycaste Site -
Detroit, Michigan/Nortru, Inc.

Dear Mr. McPhee:

This letter is a follow-up to our phone conversation of Monday, June 15, 1981, and the meeting held at your offices on Thursday, May 28, 1981, with Larry Kyte, Jim Pankanin and representatives of Nortru, Inc. The purpose of that meeting was to discuss a proposed RCRA compliance order which would authorize Nortru to operate the KOI facility as a hazardous waste storage facility without having a final RCRA permit.

Nortru has reviewed the order in detail and has determined that it is agreeable to the basic substance of the order. I enclose herewith for your review and comment a redraft of the proposed order. Many of the changes are procedural in nature. For example, I have attempted to incorporate the consent order provisions of 40 CFR 22.18 as well as the November 19, 1980 EPA regulations and policy statement on clarification of interim status requirements.

Jonathan T. McPhee, Esq.

June 22, 1981

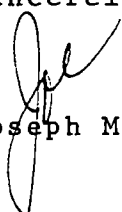
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There are two matters of substance that Nortru believes are inappropriate for inclusion in the order. Paragraphs 3.c. and d. of EPA's draft order required installation of run-on prevention and containment structures for all loading and unloading operations. I have reviewed EPA's interim status requirements for tanks promulgated on May 19, 1980 (45 FR at 33244-45 (Monday, May 19, 1980)) and EPA's final RCRA permit standards for tanks promulgated on January 12, 1981 (46 FR at 2867-68 (Monday, January 12, 1981)). I note that neither set of regulations requires containment for loading and unloading operations. Moreover, the final RCRA permit standards do not even require a containment system for above ground closed tanks. Therefore, Nortru believes that it is inappropriate to require containment with respect to loading and unloading operations. 2

In any event, Nortru will, in all likelihood, have to comply with the Michigan Department of Natural Resources' regulations governing storage of "critical materials." These regulations require that certain protective measures be employed in connection with loading and unloading "critical materials." I have enclosed a copy of the pertinent regulations and the current "critical materials" register for your review. I trust that these will satisfy any concerns regarding loading and unloading.

I would appreciate your prompt review and comment on the enclosed order so that we may consummate this matter as soon as possible. Thank you once again for your assistance.

Sincerely,


Joseph M. Polito

JMP/sdp

Enclosures

cc: Mr. Robert Buckley - (w/draft order enclosure) ✓
Mr. Daniel D. Schultz - (w/draft order enclosure)
Jack Garretson, Esq. - (w/draft order enclosure)
Mr. Norman Foster - (w/draft order enclosure)
Mr. Les Johnson - (w/draft order enclosure)